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**SAVING BEHAVIOUR AMONG GENERATION Y IN BANKING SECTOR
IN MALAYSIA**

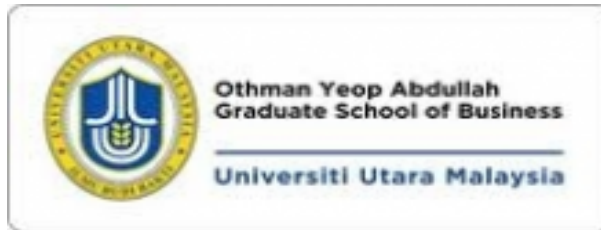
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UUM
Universiti Utara Malaysia

Thesis Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
in Partial Fulfillment of the Requirement for the Master of Science (Finance)



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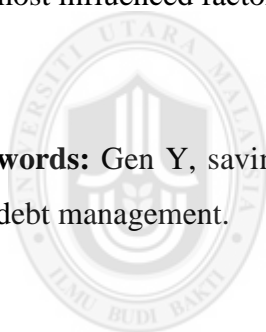
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ABSTRACT

This study is to shed a light the saving behavior among generation y in banking sector in Malaysia and to fill the knowledge gap on their saving behavior by looking into their saving behavior as well as their demographic characteristics. The purpose of this study is to identify whether there is a significant relationship between saving behavior and its determinants which consists of financial literacy, retirement planning behavior and debt management among Generation Y in Banking Sector in Malaysia. This research adopts quantitative approach where data for these studies has been conducted by survey method generation y in banking sector those ages between 19 -35 years old. A total of 150 set of questionnaire has been collected manually responded in 7 divisions in Maybank Corporate Banking which are MDO, SL, COS, CCS, Region, SER & EU. The finding from this study shows that Retirement Planning Behavior has the most influenced factor that influence saving behavior among Gen Y.

Keywords: Gen Y, saving behavior, financial literacy, retirement planning behavior and debt management.



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ABSTRAK

Kajian ini bertujuan mengkaji faktor-faktor yang mempengaruhi tabiat menyimpan di kalangan Generasi Y di Perbankan di Malaysia and mengisi kekosongan pengetahuan tentang tabiat menyimpan dengan mengetahui tabiat menyimpan dan karakter demografi. Ujian Pekali Korelasi telah digunakan untuk mengkaji hubungan signifikan antara pembolehubah bebas (pengetahuan kewangan, persaraan masa hadapan dan pengurusan hutang). Sebanyak 150 orang pekerja golongan Generasi Y yang telah dipilih untuk menjawab kaji soal selidik tentang faktor-faktor yang telah mempengaruhi tabiat menyimpan. Kajian ini melibatkan beberapa jabatan / unit dari Perbankan Korporat di Maybank seperti MDO,SL, COS, CCS, Region, SER & EU. dengan pembolehubah bersandar. Keputusan menunjukkan bahawa persaraan masa hadapan telah memainkan peranan yang paling penting dalam mempengaruhi tabiat menyimpan di kalangan pengaruh Gen Y,

Kata kunci: Generasi Y, tabiat menyimpan, pengurusan kewangan, pengetahuan kewangan, pengurusan hutang, kedudukan kewangan.

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‘ In The Name of Allah The Most Gracious and The Most Merciful, and peace be upon our Greatest Prophet Muhammad S.A.W’.

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LIST OF ABBREVIATIONS

Maybank Corporate Banking	MBB CB
Managing Director's Office	MDO
Specialize Lending	SL
Credit Origination & Structuring	COS
Corporate Credit Surveillance	CCS
Region (Penang, Johor, Sarawak & Sabah)	Region
Special Enterprise Relationship	SER
Emplacement Unit	EU
Financial Literacy	FL
Retirement Planning Behavior	RPB
Debt Management	DM
Saving Behavior	SB

CHAPTER 1

INTRODUCTION

1.0 Introduction

In this chapter, it helps to introduce the information or details of the research project that involved such as background of the study, problem statement, and research question, significance of study, limitation of study, scope of study, definition of key term and organization of thesis.

1.1 Background of Study.

This study is to understand the Saving Behavior among Generation Y (“Gen Y”). In general, Gen Y is the fastest growing population of workforce today where they are confident, independent, ambitious and achievement-oriented. Being born in generation of technology savvy, Gen Y seems to be different from their ancestors where their parent is more concern on the daily spending compared to Gen Y who works hard to spend. Gen Y struggles to save money as most of them have minimal understanding in financial planning which could lead them ending with no saving.

Gen Ys in Malaysia make up the largest population which grown up with modern information technology, including smart phones, and are well-educated and socially networked. Gen Ys utilize the internet as their primary channel of information-gathering and communication. According to Wan Azmi, W., Madden, R., & Mokhtar (2015) majority of Gen Ys are Living on the Financial Edge with high cost borrowing which comprised of personal loans and engaged in expensive credit card borrowings.

Most of Gen Y nowadays has many strategies to increase their saving, but not all of them manage to achieve their goal due to the gap between their action and intention. Meanwhile, some of Gen Y tends to undervalue their decision future needs and underestimate their decision making abilities. Meier & Crocker (2010) stated that Gen Y is widely known as the generation born between 1980 and 2000 where this generation is confident, independent and goal oriented.

In addition, Gen Y also known as Millennial who upstart competitors who is comfortable with the changing times rose to the top. Once in a generation we have a revolution that shift the fundamental of our economy, society and culture which also change the way we communicate and how we are relate to each other.

Being a Gen Y who lives in the challenging economic condition, some of them might face difficulties in saving their money especially voluntary saving as we aware that the costs of living nowadays keep on increasing. If there is no appropriate planning in their daily financial it could lead bankruptcy in such a young age. Tabulated below are the details of population in Malaysia by age:

Population in Malaysia

Details	2011	2012	2013*estimation	2014*forecast
Population (million)	29	29.3	29.7	30.1

Table 1.1

Age Distribution in Malaysia

Age	Male '000	Female '000	Total '000
0 - 4	1,327.60	1,250.80	2,578.40
0 - 9	1,309.90	1,241.20	2,551.10
10 - 14	1,369.30	1,300.10	2,669.40
15 - 19	1,464.00	1,378.50	2,842.50
20 - 24	1,594.80	1,465.20	3,060.00
25 - 29	1,563.80	1,394.20	2,958.00
30 - 34	1,308.50	1,166.70	2,475.20
35 - 39	1,053.80	960.10	2,013.90
40 - 44	934.80	906.80	1,841.60
45 - 49	856.30	828.60	1,684.90
50 - 54	770.50	720.20	1,490.70
55 - 59	615.50	592.80	1,208.30
60 - 64	467.90	457.90	925.80
65 - 69	327.60	331.70	659.30
70 - 74	210.10	218.00	428.10
75 - 79	138.60	151.70	290.30
80 - 84	66.50	79.20	145.70
85+	54.70	69.60	124.30
Total	15,434.20	14,513.30	29,947.50

Table 1.2

Source: Source: Adopted from Department of Statistics, Malaysia (2013).

Based on the above tables attached, table 1.1 shows the population of Malaysian people ranging from the year of 2011 to 2014 meanwhile table 1.2 shows the population by age and gender where 18% of the population is falls under Gen Y.

According to an article from The Star titled “Bankruptcy cases on the rise in Malaysia” (2014) stated that, in Malaysia the bankruptcy cases increased year by year which most incidents arise from hire purchase and housing loan. Information obtained from Department of Insolvency, Malaysia on the statistic of bankruptcy cases which can be tabulated as follows:

5 years bankruptcy cases

Year	2008	2009	2010	2011	2012	Total
Cases	13,855	16,228	18,119	19,167	19,575	86,944

Table 1.3

5 years bankruptcy cases by gender

Gender	2008	2009	2010	2011	2012	Total	%
Male	9,421	11,680	13,088	13,436	13,613	61,238	70
Female	4,434	4,548	5,031	5,731	5,962	25,706	30
Total	13,855	16,228	18,119	19,167	19,575	86,944	100

Table 1.4

Bankruptcy cases based on age in 2012

Age	Less than 25 years	25 - 34 years	33 - 44 years	45 - 54 years	55 years and above	No record	Total
Cases	130	3,970	7,164	5,698	2,499	114	19,575

Table 1.5

Source: Adopted from Department of Insolvency, Malaysia

Based on the above table, it shows that the bankruptcy cases by gender keep on increasing from year 2008 up to 2012 with 70% been dominated by male followed by 30% of female. Meanwhile, in term of age 37% between age from 33 to 44 years, followed by age of 45 to 54 years at 29% and 20% were between age of 25 – 34 years. Arising from the above, Bank Negara Malaysia has come out with an initiative to set up Agensi Kaunseling dan Pengurusan Kredit (“AKPK”) in April 2006 with the aim of helping individuals in managing or control the financial situation. In addition, Reuters article on 06 September 2015 titled “Bankruptcy among the young in Malaysia crimps consumption” stated there is an increase that people under age of 35 years has

declared bankruptcy due to housing loan, hire purchase and other items that has contributed to household burdens.

Hence, better education on financial understanding is needed in order control or prevents bankruptcy. Nadaraj. V (2015) wrote in her article titled “Bankruptcy in Malaysia Hits the Young Hard” stated that apart of the increased in cost of living, the other main reason that attributed towards this bankruptcy is lack of discipline and poor financial literacy

1.2 Problem Statement

This study aims to determine the saving behavior among Gen Y as compared with other generation, Gen Y tend to be the most popular generation among resercher mainly due to this group of the population comprises of a large demographic segment of consumers with high spending power. Nowadays with the current economic situation, managing day-today finances has become more challenging and difficult which depend on individual financial capabilities to make financial decision in the current economic situation. Lucardi (2010) state that financial capabilities is measured based on an individual planning skills and knowledge obtained before making financial decision.

People’s savings in particular, assist in smoothing out unexpected variations in income, minimizing the impact of shocks on consumption. In Malaysia, it has been noted that the savings rate becomes fluctuate over time due to the high expenses and increase in other cost such as Goods Service Tax (“GST”), Oil price and other factors which has led to the increase in daily consumption. Due to the increase in the overall

cost this has affected the saving behavior, especially Gen Y as they are part of the population who struggle in day- today daily life Deaton (2005) stated that people take such a long time to save for retirement which is something that is consistent with the very limited life-cycle saving.

Nevertheless, this study is specifically to understand is there any relationship between saving behavior and financial literacy, retirement planning behavior and debt management. Hashim (2014) believed that Gen Y likes to buy unnecessary thing through credit cards. In addition, individual with higher income sometimes prefer to consume luxury goods to fulfilled their taste and preferences as a symbol of their pride Ahmad Khan, H., & Abdullah, H. (2010).

1.3 Research Questions

There are few research questions that can be develop in order to meet the purpose of this whole study. By knowing what kind of question to be asked, it helps to gather information and to see the relationship between the dependent variable i.e saving behavior with the dependent variable i.e financial literacy, f retirement planning behavior and debt management among Gen Y in Banking Sector in Malaysia.

- I. Financial literacy level among the GenY is presumed to be very low, which is proven by the many financial issues and problems faced by them which affected by lack of education and financial information and many more. Hence, they are unable to ensure the right saving own their own future. However, is there any relationship between saving behavior and financial literacy in Banking sector in Malaysia?

- II. Many factors could be taken into account in doing saving. Yet, which factors are actually significant in influencing the saving behavior among GenY?
- III. Savings most of the time could help to lesser the burden in paying back debt obligation of an individual such as paying back their study loan, credit card and housing loan. However, are the GenY aware of this?

1.4 Research Objective

Each study that has been done came with a purpose where in this study it is to know and understand the saving behavior among Gen Y in Banking Sector in Malaysia. Hence, the researcher intention of finding the factors that contributed to their saving behavior.

- I. To understand the relationship between saving behavior and financial literacy in Banking sector in Malaysia.
- II. To analyze the relationship between saving behavior and retirement planning behavior in Banking sector in Malaysia.
- III. To investigate the relationship between saving behavior and debt management in Banking sector in Malaysia.

1.5 Significance of the Study

This study was performed to understand the factors that drive Gen Y saving behavior in Banking Sector in Malaysia and creating awareness on the importance of saving which help them to practice their own financial management. This also could help to fill the gap in finding the reason for their saving trend or behavior. As for the bank, this study will be beneficial to the Banks and other financial institution in term channeling and cross selling their current product by understanding the need of GenY such as what kind of product that suitable for their age. Beside that it also hope that this study could contribute in providing saving awareness among Gen Y.

As for Generation Y, it could help to have a deeper understanding on the importance of saving and it also no only for for the Generation Y knowledge it also will help to benefit the future generation. According to Mohd, R., Mohamad, S., & Nor, N. (2015) most of Gen Y have low understanding on financial literacy where their financial intelligence level is depend on their education and income level. This indicate that someone who have good saving behavior and financial management skill usually able to manage its financial despite lower income earned.

1.6 Limitation of Study

Few limitations that have been found in this study as the respondents are limited to a certain sample such as Gen Y in Banking Sector in Malaysia. This has resulted to a limited sample size where the researcher targeted respondent in Maybank Corporate

Banking which they only act as the representative group from the whole Maybank organization structure.

1.7 Scope of Study

This study focuses on Gen Y in Banking Sector in Malaysia where to determine the factors that drive their saving behavior.

1.8 Operational definitions and measures of variables

1.8.1 Generation Y (“Gen Y”)

Gen Y the most commonly used birth range for this group is 1982-2000. The Millennial Generation is also known as Generation Y, because it comes after Generation X. Moss, M., & Martins, N. (2014) stated that Gen Y are also known as Millennials, Generation Me, Generation Whine, the Net Generation, Echo Boomers, iGeneration, Generation Why and Nexters as GenY have been raised within a time period where they have constant access to technology. Computers, mobile phones, the internet were all accessible and part of their youth.

1.8.2 Banking

Investopedia define Bank as a financial institution licensed as a receiver of deposits where in most countries, banks are regulated by the national government or central bank. Meanwhile Wikipedia define Bank as a financial intermediary that creates

credit by lending money to a borrower, thereby creating a corresponding deposit on the bank's balance sheet. According to Bank Negara Malaysia (“BNM”) as of 2015 there are 5 categories of licensed Banking Institution i.e. Commercial Banks, Islamic Banks, International Islamic Banks, Investment Banks and other Financial Institution. Tabulated below is brief information on the 5 licensed banking institutions:

5 licensed banking institutions

Category	Total Number	Sample
Commercial Banks	27	Maybank, CIMB, HSBC, Citibank
Islamic Banks	16	Affin Islamic, Maybank Islamic, Al Rajhi
International Islamic Banks	3	Alkhair International Islamic Bank Deutsche Bank Aktiengesellschaft PT. Bank Syariah Muamalat Indonesia, Tbk
Investment Banks	11	Affin Hwang Investment, Maybank Investment Berhad, Public Investment Berhad
other Financial Institution	2	ERF Sdn Bhd, Pengurusan Dana Harta Nasional Berhad

Table 1.6

Source: Adopted from Bank Negara Malaysia (2015)

1.8.3 Maybank Corporate Banking

Maybank is one of the largest bank by market capitalisation and total assets and one of the largest banks in Southeast Asia, with total assets exceeding US\$183 billion and having a net profit of US\$1.92 billion for 2014. According to wikipedia, Maybank has an international network of over 2,400 branches and offices in 20 countries, employing 47,000 employees who serve over 22 million customers as of todate. In addition for Malaysia present , Maybank operates consumer, business and corporate banking as well as private banking services, through a network of 402 branch offices and more than 2,600 automated teller machines around the country. Maybank Coporate Banking is part of Maybank Group which focusing on Corporate Landing.

1.9 Organisation of the Thesis

There are five chapters in this research. The first chapter will have an overview of the study where researcher discussed on the research problem, research questions and objective of the research are reported. The limitation and signification of this research study are also reported in this chapter. Secondly, there will be a literature review where it will discuss on previous studies which is related to this topic. In chapter three, it will explain on the methodology being adopted and what is the sample size, survey instrument and pilot test and data collection methods. Some pilot test will be done in order to test the some of the data collected earlier to know the result. Meanwhile, in chapter four, discusses on the research results, where recommendations, implication weaknesses of the research study will be identified. While the last chapter, reasearch will make a conclusion on the overall finding and to provide some recommendation.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter provides a review of literature on Generation Y characteristic, its saving behaviour and saving behaviour. Saving is considered as an important determinate of investment and growth of an economy.

2.1 Generation Y (“Gen Y”)

There are various type of generation which depends on which year of an individual born such as Greatest Generation, Baby Boomers, Generation X, Generation Y and Generation Z. According to Fry (2015) Generations are times taken to the precise boundaries demarcating one generation from another.

Projected Population by Generation

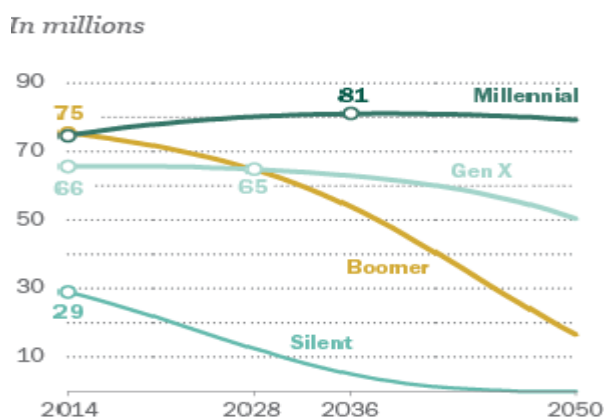


Chart 2.1

Source: Adopted from Pew Research Centre

The above chart 2.1 on projected population by generation indicates the millennial generation continues to grow as young immigrants expand their ranks. Main (2013) stated that Gen Y sometimes referred as Millennials which roughly bourn between 1980s to early 2000s. Most of them currently is aged between 20s to mid-30s which digital natives, the dot-com kids and the click ‘n go generation. Gen Y also known as the largest and most educated generation in history. Tabulated below are the characteristic for each generation:

Gen Y Characteristic

Details	Builders 1925-1945 Aged 70s - 80s	Baby Boomers 1946-1964 Aged 50s - 60s	Generation X 1965-1979 Aged 30s - 40s	Generatio n Y 1980-1994 Aged 20s - early 30s	Generation Z 1995-2010 Aged kids - teens
Iconic Technology	Radio (wireless) Motor Vehicle Aircraft	TV (56) Audio Cassette (62) Transistor radio (55)	VCR (76) Walkman (79) IBM PC (81)	Internet, Email, SMS DVD (95) Playstation, Xbox, iPod	MacBook, iPad Google, Facebook, Twitter Wii, PS3, Android
Music	Jazz Swing Glen Miller Frank Sinatra	Elvis Beatles Rolling Stones Johnny O’Keefe	INXS Nirvana Madonna Midnight Oil	Eminem Britney Spears Puff Daddy Jennifer Lopez	Kanye West Rhianna Justin Bieber Taylor Swift
TV & Movies	Gone With the Wind Clark Gable Advent of TV	Easy Rider The Graduate Color TV	ET Hey It’s Saturday MTV	Titanic Reality TV Pay TV	Avatar 3D Movies Smart TV
Social Markers/ Landmark Events	Great Depression (30s) Communis m World War II (39-45) Darwin Bombing	Decimal Currency (66) Neil Armstrong (69) Vietnam War (65- 73)	Challenger Explodes (86) Haley’s Comet (86) Stock Market Crash (87) Berlin Wall (89) Newcastle	hredbo Disaster (97) Columbine Shooting (99) New Millennium September	Iraq / Afghanistan war Asian Tsunami (04) GFC (08) WikiLeaks Arab Spring

	(42) Charles Kingsford Smith	Cyclone Tracy (74) National Anthem (74)	Earthquake (89)	11 (01) Bali Bombing (02)	(11)
Influencers	Authority Officials	Evidential Experts	Pragmatic Practitioners	Experientia l Peers	User- generated Forums
Training Focus	Traditional On-the-job Top-down	Technical Data Evidence	Practical Case studies Applications	Emotional Stories Participativ e	Multi-modal eLearning Interactive
Learning Environmen t	Military style Didactic & disciplined	Classroom style Quiet atmospher e	Round-table style Relaxed ambience	Cafe-Style Music & Multi- modal	Lounge room style Multi- stimulus
Sales & Marketing	Print & radio Persuasive	Mass / Traditiona l media Above- the-line	Direct / Targeted media Below-the- line	Viral / Electronic Media Through Friends	Interactive campaigns Positive brand association
Purchase Influences	Brand emergence Telling	Brand- loyal Authoritie s	Brand switches Experts	No Brand Loyalty Friends	Brand evangelism Trends
Financial Values	Long-term saving Cash No credit	Long-term needs Cash Credit	Medium-term Goals Credit savvy Life-stage debt	Short-term wants Credit dependent Life-style debt	Impulse purchases E-Stores Life-long debt

Table 2.1

Source: Adopted from McCrindle research information 2012

2.2 Saving behavior

Cronqvist, H., & Siegel, S. (2010) stated that an individual saving behavior is influenced by genetic predisposition social transmission from parents to their children, and gene-environment interplay. Agreeing to the above, Lusardi, A. (2003)

stated that saving behavior can be influenced by the behavior of others especially from the experience of other family members. Many households are unfamiliar on the basic economic concepts needed to make saving and investment decisions (Lusardi & Mitchell, 2007).

According to Paterson (2015) on Suncorp Bank Australians' Saving Habits Report found Generation Ys are in the 'saving sweet spot' of life report, stated that Gen Y's earning potential has increased whilst they continue to enjoy a lower level of financial commitment. McGratch (2015) stated that most of Gen Y prioritize saving over spending as they were financially scarred by the Great Recession.

2.3 Financial Literacy among Generation Y

Academic majors are also drivers of financial literacy levels and coincide with other aspects of a more complex equation. Considering the amount of time and money students invest in higher education, and the conclusion that choice of a non-business major translates to a loss of hundreds of thousands in savings, it seems surreal that the system has not recognized the need for financial education for all. Lusardi, A., & Mitchell, O. (2014) indicate that financial literacy is an individual ability to process economic information and decision making on their wealth accumulation, debt and financial planning. Hence people with financial knowledge will likely have better financial planning especially for retirement saving.

Millennial are remarkably bright and attentive students who, regardless of major, were found to be seeking greater retirement literacy education from their colleges.

Delafrrooz, N., & Paim, L. (2011) stated that financial literacy will helps individuals to handle daily financial matters and decision making. According to Sabri, M., & MacDonald, M. (2010) individuals with higher financial literacy save more compared to individuals with greater influence from socialization and late exposure in their childhood. Moorthy, M., Chelliah, T., Shu Sien, C., Chin Leong, L., Ze Kai, N., Choy Rhu, W., & Yoke Teng, W. (2012) stated that young generation and old generation in Malaysia has minimal information on basic financial literacy which has attributed to no proper saving planning for their afterlife of retirement. Lusardi, A., & Mitchell, O. (2007) indicates that financial literacy is higher when and individuals are exposed to economics education or any financial education programs.

2.4 Retirement Planning Behavior

Learning from their parent on how struggle to regain financial strength, Gen Y nowadays may have more concern on how to earn more for a living. According to Lusardi, A. (2003) planning in retirement could help an individual to face unpleasant events such as financial difficulties at the end of life and it also plays an important role in explaining the saving behavior of many households. Retirement is commonly understood to be an inevitable life process necessitated by the effects of aging, and represents hope for greater freedom later in life. Delafrrooz, N., & Paim, L. (2011) stated that many household did not have enough preparation of their own financial security after retirement. Gen Y today thinks that retirement planning is a burden for them as it involves long-term planning. They believe that they prepared enough for their retirement as they have their Employee Provident Fund (EPF) savings (Moorthy, M., Chelliah, T., Shu Sien, C., Chin Leong, L., Ze Kai, N., Choy Rhu, W., & Yoke

Teng, W. 2012). Individuals with more financial literacy are more likely to plan for retirement (Lusardi, A., & Mitchell, O.- 2007).

2.5 Debt Management

Nowadays most of Gen Y is trying to stay financially afloat even before buying their first car or dream home as well as trying to start a family. A study done by Asian Institute of Finance (AIF) reveals that Malaysia's Gen Ys experience significant financial stress early in their lives which most of them trapped in emotional which most of Gen Ys accruing debt at an earlier age and lack understanding when it comes to financial planning. According to Wan Azmi, W., Madden, R., & Mokhtar majority of Gen Ys are Living on the Financial Edge with high cost borrowing which comprised of personal loans and engaged in expensive credit card borrowings. Besides that, student loans are the major source of debt for college- educated Millennials where they are deeply indebted and struggle to meet payments on both short- and long-term obligations. Even though Millennials make many decisions related to investments and debt, most of them lack financial literacy and are not aware of their lack of financial knowledge (Scheresberg, C. D., & Lusardi, A. -2012).

2.6 The Life-Cycle Hypothesis ("LCH")

LCH economic theories is thearories pertaining spending and saving behavior. This model make assumption on human behavior and yeilds predictions where they prefer to smooth their consumption overtime rather than experiencing "feast or famine". It also presume individual assumption on constant percentage anticipated lif i.e. people

save for retirement while earning a regular income. Deaton (2005) states LHC is about an intelligent choices about how much they want to spend at each age using the limited resources available over their lives. In the simplest form, life-cycle model examines the consumption behavior of the individual over the lifetime

2.7 Hypothesis

A hypothesis is an educate guess about what we think might happen in our research. It also helps us to predicted relationships among events or variables.

2.7.1 Financial Literacy and Saving Behavior.

According to Abdul Aziz, M. (2014) financial literary have a crucial impact where it will be helpful on the information obtained and it also can be use by policymaker and financial planners to develop certain strategies or programs to encourage them in saving.

H1: There is a significant relationship between saving behavior and financial literacy among Gen Y in Banking Sector in Malaysia.

2.7.2 Retirement Planning Behavior and Saving Behavior

If an individual have a right planning for their future retirement, there is a possibility for them to retire before it reach the age of retirement and it depends more on individual saving rate compared to income generated. According to Mohd Talib, N.

(2014), Planning for retirement is a necessary action to achieve goals where it includes the identification of sources of income, estimated expenditure implement programs savings and managing assets.

H2: There is a significant relationship between saving behavior and Retirement Planning Behavior among Gen Y in Banking Sector in Malaysia.

2.7.3 Debt Management and Saving Behavior

According from an article by Lucy Carter dated 20/11/2013 titled “Generation Y struggles to save money and has very little understanding of financial planning, struggling with debt: study”. “It states that Impact Leaders found up to one-third of 18 to 34 year olds have no savings and many struggle with high levels of debt. In addition, Robert Drake from ASIC says people need to learn good money habits at a young age and it's absolutely crucial that kids do learn about money at a young age so they don't learn by mistakes later on”

H3: There is a significant relationship between saving behavior and Retirement Planning Behavior among Gen Y in Banking Sector in Malaysia.

2.8 Summary

This chapter has covered the literature review related to saving behavior among Gen Y in Banking Sector in Malaysia. In the next chapter, the discussion will focus on theoretical framework and research methodology of this study.

CHAPTER 3

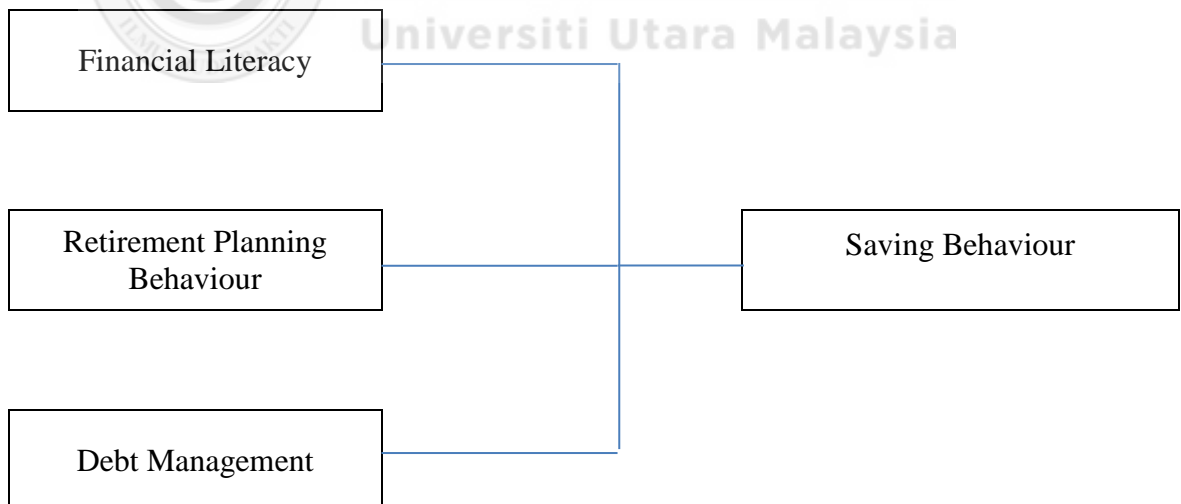
RESEARCH METHODOLOGY

3.0 Introduction

This chapter emphasizes based on this study and the researcher will try to examine and explain the relationship between decision making and the four variables which includes financial literacy, retirement planning behavior and debt management.

3.1 Theoretical Framework

In this research, researcher tries to show the relationship between the Dependent Variable (DV) and the Independent Variable (IV). This can be illustrated as follows:-



3.2 Sample of the Study, Data Collection and Pilot Study

A total 195 employees of Maybank Corporate Banking have participated in this study. Sample of this study is limited to Gen Y 150 employees' age from 21 to 35 years old in Maybank Corporate Banking. The selected employee in this study are from various department such as Managing Director Office ("MDO"), Credit Origination & Structuring ("COS"), Corporate Credit Surveillance ("COS"), Region, Special Enterprise ("SER") & Emplacement Unit ("EU"). Out of 195 total number of employee 150 are falls in the category of Gen Y.

This particular GenY in Maybank are chosen because related with this research topic. The method used in collecting data is the questionnaire technique where a set of questionnaire has been prepared and each participant is asked to respond to the same set of questions. It helps to provide an efficient way in collecting responses from a large sample of working individuals to do quantitative analysis. Before the questionnaires are distributed to the chosen respondent, a pilot study was conducted in order to assess the validity of the questionnaires as well as to come up with a benchmark on the financial literacy score. The sample of the pilot study comprises of 30 GenY employees in Corporate Banking, Maybank

3.3 Gen Y in Maybank Corporate Banking

Gen Y in this study is the employees of Maybank Corporate Banking age between 21 to 35 years old. Furthermore the selected Gen Y is within the researcher's field as a Banker in Maybank itself, where they are from four departments, i.e. MDO, COS,

CCS, Region, SER & EU. The total number of staff is 195 employees. However, only approximate of 150 employees was identified to be under Gen Y. With the total number of employees of 150 the researcher fined they would help in representing as Gen Y in this study. Tabulated below is the breakdown of the number of employees for each department.

Summary of Corporate Banking Employees as of 2014 / 2015

No	Department	Total Number of Employees (all)	Gen Y
1	Managing Director's Office	14	6
2	Specialized Landing	4	4
3	Credit Origin & Structuring	70	63
4	Corporate Credit Surveillance	60	58
5	Region (Penang, Johor, Sarawak & Sabah)	28	7
6	Special Enterprise Relationship	13	8
7	Emplacement Unit	6	4
	Total	195	150

Table 3.1

Source: *Managing Director's Office*

Based on the above information, the total number of Maybank Corporate Banking employees is approximately totally 195. Out of 195 employees 150 has been identify to fall under Gen Y.

Premised on the above, by having this study done on Gen Y, it could lead and help to know the reason that helps to drive Gen Y saving behavior in Maybank Corporate Banking

3.4 Hypotheses Development

In this study, researcher is intended to examine the factors that influencing saving behavior among Gen Y in Banking Sector in Malaysia. Hence, the hypotheses are developed as bellows:

H1: There is the positive relationship between financial literacy and saving among Gen Y in Banking Sector in Malaysia.

Nowadays, studies saving behavior have also been conducted, but the number is limited. By exploring the level of financial literacy and knowledge could help to understand their financial literacy and knowledge is level which most of the time could lead to wrong decision making especially when it comes to money matters. Financial literacy can be define as knowing the facts and terminology in managing one's personal finances Garman and Forgue (2000). In addition, Abdul Aziz, M (2014) stated that financial literacy is the ability to understand finance. More specifically financial literacy is affected by behavioral assessment of personal finance. Moorthy, M., Chelliah, T., Shu Sien, C., Chin Leong, L., Ze Kai, N., Choy Rhu, W., & Yoke Teng, W. (2012) stated that young generation and old generation in Malaysia has minimal information on basic financial literacy which has attributed to no proper saving planning for their afterlife of retirement. According to Sabri, M., & MacDonald, M. (2010) individuals with higher financial literacy save more compared to individuals with greater influence from socialization and late exposure in their childhood

Lusardi, A., & Mitchell, O. (2014) indicate that financial literacy is an individual ability to process economic information and decision making on their wealth accumulation, debt and financial planning. Hence people with financial knowledge will likely have better financial planning especially for retirement saving. A study by Tan et al. (2011) on financial literacy level among the public in Klang Valley shows that majority of the respondents have adequate basic financial literacy. The findings are similar with the results in previous studies where numerous people are lack in financial knowledge.

Heckman and Grable (2009) assessed and examined on the determinants of personal finance knowledge among university students knowledge. The results shows that financial knowledge is significantly and positively related with self-efficacy and suggest that student with more financial knowledge are able to manage financial matters. A study also done by Brown (2009) found a significant correlation between financial literacy education and financial decision making in overall financial decision making.

H2: There is the positive relationship between retirement planning behavior and saving among Gen Y in Banking Sector in Malaysia.

In Malaysia, there are two retirement scheme provided by government, namely as pension scheme and provident fund scheme (EPF). Both EPF and pension scheme are the common retirement plan in Malaysia. However, increase in income may increase their willingness to pay and thus, the consumption will follow to increase, instead of their savings. There is a big gap between financial knowledge and the ability to make

retirement and savings decisions, which indicates that higher financial education encouraged wise financial decisions Rooij (2009). Lusardi and Mitchell (2006) stated on the concern on the households did not have enough saving for retirement while keep on accumulating excessive amounts of debt instead of saving.

The key to success in life during retirement is dependent on retirement planning, Atchley (1976) as the retirement planning helps to gain more confident in future stability life. A study by Quinn (1977), retirement plans were equally important factors in inducing retirement where it has substantial impact on the retirement decision. Ismail (2004) stated that, with better retirement planning an individual will have more secure and comfortable life. Study by Murphy and McKenna (2011) stated failure of retirement planning was impacted by no appropriate financial saving.

According to Gerrans and Clark-Murphy (2004), demographic variable also play an important role such as gender, age, and income where it has resulted to a significant positive effect on retirement planning savings choice. This also supported by Taylor and Shore (1995) where a comprehensive model of retirement behavior should comprised of personal factors, environmental powers and psychology where the personal factors should include financial and health. Lusardi, A. (2003) stated that planning in retirement could help an individual to face unpleasant events such as financial difficulties at the end of life and it also plays an important role in explaining the saving behavior of many households. In addition Delafrooz, N., & Paim, L. (2011) stated that many household did not have enough preparation of their own financial security after retirement.

H3: There is the positive relationship between Debt Management and saving behavior among Gen Y in Banking Sector in Malaysia.

Money management is the key to sound financial planning which helps people achieve their financial goals more effectively. Finance is very critical resource to individual and every organization. Hence its proper management has engrossed much attention in the many literatures. As for individual, people need money to allocate their day to day household obligations. A study done by Abdul Jamal, A., Ramlan, W., Abdul Karim, M., Mohidin, R., & Osman, Z. (2015) on factors that affect savings behavior amidst various reports from respondents comprise of college and university students in Kota Kinabalu Sabah which resulted the large mismatch between household savings and debt in Malaysia as well as increasing debt problems particularly among young Malaysian adults. An article written by Schueckler, L. (2013) stated that by creating a budget it will help to know cashflow of the money and it will also help to save more money.

A study done by Asian Institute of Finance (AIF) reveals that Malaysia's Gen Ys experience significant financial stress early in their lives which most of them trapped in emotional which most of Gen Ys accruing debt at an earlier age and lack understanding when it comes to financial planning. Besides that, student loans are the major source of debt for college- educated Millennials where they are deeply indebted and struggle to meet payments on both short- and long-term obligations. Even though Millennials make many decisions related to investments and debt, most of them lack financial literacy and are not aware of their lack of financial knowledge (Scheresberg, C. D., & Lusardi, A. -2012.)

Young generation nowadays rarely practiced basic financial skills, such as budgeting, developing a regular savings plan or planning for long term requirements (Birari and Patil, 2014). The effective financial management behavior should improve financial well-being positively with the effective funds management. Failure in managing an individual's finance can lead serious long-term consequences. Shih and Ke, (2014) have concluded that financial attitudes play an important role in determining a person's financial. Parrotta and Johnson (1998) find a positive relationship between financial attitudes and financial behaviors.

3.5 Variables, Measurement and Survey Questionnaire

The set of questionnaires was adapted from various past studies which are related to this topic. Questionnaires are divided into several sections. Section A, consist of demographic profiles comprises of seven items that are geared to the respondent demographic information such as gender, age, educational level, race, marital status, income level and years of service. In this study, there are four independent variables and one dependent variable. The independent variables are saving behavior while the dependent variables are financial literacy, retirement planning behavior and debt management.

Nominal is the measurement scale for gender (male and female), age of the working individuals (19 - 25, 26 - 30, and 31 - 35), marital status (single, married, and others), education level (SPM, STPM / Diploma, Degree, Master and others), Race (Malay, Chinese, India and others). For income level divided into three group RM1001 – RM2000, RM2001 – RM3000 and RM3001 and above while division was divided into seven categories Managing Directors Offices, Special Lending, Credit

Origination and Structuring, Corporate Credit Surveillance, Region, Special Enterprise Relationship and Emplacement Unit. All items from this scale used a five-point response format, where 1= strongly disagree and 5= strongly agree. The first part of the questionnaire consists of demographic and personal information questions about the respondents' gender, age, education level, race, marital status, income level, length of service and division. The second part is the respondents filled out the questionnaires on the saving behavior determinant which consists of following items on financial literacy, retirement planning behavior, and debt management. The items are as follows:

Financial literacy

<u>No</u>	<u>Questions</u>
1	I have knowledge on how to invest my money.
2	I have a very clear idea of my financial needs during retirement.
3	I am able to maintain financial records for my income and expenditure.
4	I'm not facing any difficulty in managing my money.
5	I have knowledge of financial instruments (e.g. bonds, stock, T-bill, future contract, option and etc).
6	I can prepare my own weekly (monthly) budget.

Table 3.2

Retirement Planning Behavior

<u>No</u>	<u>Questions</u>
1	I need to get information on retirement
2	I've been saving money to prepare for retirement
3	I have a clear vision of the activities after retirement
4	I always discuss retirement plans with family and friends
5	I need more ample of time for my retirement savings

Table 3.3

Debt Management

<u>No</u>	<u>Questions</u>
1	Before making a loan, I will make sure the interest rate is low.
2	I think about the payback capability before making a loan.
3	I make a comparison among financial institutions before applying for housing loans.
4	I'll save only when I am running out of money.
6	I will not change my expenditure trend even if I have to resort to loans.
7	I need to borrow money to pay the costs associated with home ownership, such as land tax, repairs, maintenance, etc.
8	In the past 12 months, I do have had problems in repaying back my loan / debt.

Table 3.4

Saving Behavior

<u>No</u>	<u>Questions</u>
1	I put money aside on a regular basis for my future saving.
2	In order to save, I often compare prices before I make a purchase.
3	In order to save, I often consider whether the real necessity exists before I make a purchase.
4	In order to save, I always follow a careful monthly budget.
5	I always have money available in the event of emergency.
6	In order to save, I plan to reduce my expenditure.
7	I save to achieve certain goals.

Table 3.5

Each respondent answered the questions using a 5-point Likert scale where “1” denotes “strongly disagree” and “5” denotes “strongly agree”. The use of Likert scale to measure respondents’ opinion on personal finance factors and determinants was also adopted by Chen and Volpe (1998).

The above questionnaires for Financial Literacy, Retirement Planning Behavior and Debt Management are adapted from the questionnaires adopted from Hashim, H.

(2014) titled Factors That Influence Saving Habits Among Gen Y: Case Study On Students Of Politeknik Sultan Azlan Shah., Mohd Talib, N. (2014) titled The Behavior of Public Servant toward Retirement Planning and Sulaiman, A. (2014). Determinants of Public Servant Income Management. The questionnaire method is used to allow anonymity of respondents when they revealed their answer where it helps to encourage the respondent and unbiased responses. The financial the questionnaires were also translated into Bahasa Malaysia for the respondents in further understanding.

3.7 Pilot Test

A pilot survey on 30 respondents was conducted in January 2015. The test was performed on pilot test of 30 respondents, and for all constructs the result is exceeding the minimum alpha value of 0.6, and this has meant the scale given is reliable. Adjustment made in order to ensure correct reliabilities is obtained which resulted to better understanding and easier for correspondent to select the appropriate answer. Thus, the internal consistency reliability of the measures used in independent variables and dependent variable of this study can be considered acceptable.

This is well supported by Sekaran (2004) where if the reliabilities are over 0.80 can be considered as good, those in the 0.70 range are acceptable and if less than 0.6 can be considered to be poor. Results for two independent variables, except for debt management are ranged above 0.70. However to get better results on debt management's Cronbach's Alpha, item 1,2 & 3 for debt management has been

excluded. This resulted to a better Cronbach's Alpha. Based on this pilot test, the researcher can proceed with this study on the respondents of 150.

Summary of Reliability Statistics – pilot test

CONSTRUCT	CRONBACH'S ALPHA	NUMBER OF ITEMS
Financial Literacy	0.836	6
Retirement Planning Behavior	0.735	6
Debt Management	0.746	4
Saving Behavior	0.837	7

Table 3.6

3.8 Validity Analysis

According to Hashim, H. (2014). (2014) is a statistical test to see the presence of correlation among the variables, and. If ($\text{sig} < 0.05$) indicates that sufficient correlations exist among the variables using Bartlett's Test of Sphericity.

Summary of Validity Analysis (pilot test) - KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.702
Bartlett's Test of Sphericity	Approx. Chi-Square	47.815
	df	10
	Sig.	.000

Table 3.7

Based on the above table, we can see that Bartlett's Test of Sphericity the result shown is significant as it is more than 0.000. Result in the KMO measure of sampling of the variables used in this research is 0.702 which is greater than 0.60. It means this measurement used is valid as (>0.60), and this is well supported by Mohd (2011). This validity analysis was performed on 30 respondents as a pilot test.

3.9 Pearson Correlation Coefficient

The Pearson correlation coefficient is appropriate for interval- and ratio-scaled variable Sekaran (2004). In addition, it also helps to measure the strength and direction between two different variables can be analyzed using linear relationship Correlation analysis (Pallant, 2005). Pearson Correlation Coefficient analysis will be used to test of the hypotheses of this study.

Correlations

		Saving Behavior
Financial Literacy ("FL")	Pearson Correlation	.442
	Sig (2 – tailed)	.015
	N	30
Retirement Planning Behavior ("FR")	Pearson Correlation	.508
	Sig (2 – tailed)	.004
	N	30
Debt Management ("DM")	Pearson Correlation	.231
	Sig (2 – tailed)	.219
	N	30
Saving Behavior ("SB")	Pearson Correlation	1
	N	30

Table 3.8

In table 3.8, Pearson Correlation Analysis was performed on pilot test of 30 respondents. All independent variable are positively associated with the dependent variable (saving behavior). Retirement Planning Behavior (“RPB”) ($r=0.508$) has the stronger correlation with Saving Behavior (“SB”), followed by, Financial Literature (“FL”) ($r=0.442$), and Debt Management (“DM”) ($r=0.231$).

3.10 Chapter Summary

In summary, the research framework has been identified to be the base for this study. Researcher also have identified the related research design and which measurement of variable or instruments to be used. At the end, the researcher has identified the technique of data analysis, which the finding to be presented in chapter 4.



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CHAPTER 4

ANALYSIS AND FINDING

4.0 Introduction

In this chapter, the result from the finding after distributing the questionnaire from 150 correspondents, it will be input using SPSS version 19. All the input will be analyze and process by the system in order to translate it into an output which is the result from the respondent answer from the set of questionnaires.

4.1 Reliability Analysis

A test has been performed based on 150 respondents. Based on the test performed, it revealed that the entire construct are exceeding the minimum alpha value of 0.6 except retirement planning behavior (0.598). Hence, item no 6, under retirement planning behavior has been excluded. After excluding the item number 6 the Cronbach's Alpha is much better which is exceeding the benchmark at 0.632. The result of the overall variables can be summarized as follows:

Result of the overall variables

Construct	Cronbach Alpha	Number of Item
Financial Literacy	0.695	6
Retirement Planning Behavior	0.623	5
Debt Management	0.732	4
Saving Behavior	0.706	7

Table 4.1

4.2 Validity Analysis

Summary of Validity Analysis: KMO and Bartlett's Test

Kaiser – Mayer Olkin Measure of Sampling Adequacy	.627
Bartlett's Test Sphericity Approx. Chi-Square	74.747
df	10
Sig	.000

Table 4.2

According to Hashim (2014) stated that Bartlett's Test of Sphericity is significant as equal to 0.000 and that the Kaiser-Meyer-Olkin measure of sampling of the variables used in this research is 0.627 which is greater than 0.60 based on 150 respondents.

4.3 Descriptive Statistics: Frequency Distributions for Demographic Profile

Tabulated below are the finding on descriptive statistic performed using interdependent T-Test.

Statistic of Total Respondents on Demographic Profile.

Statistics

	Gender	Age	Education Level	Race	Marital Status	Income Level	Length of Service	Division
N Valid	150	150	150	150	150	150	150	150
Missing	0	0	0	0	0	0	0	0

Table 4.3

4.3.1 Descriptive Statistic: Measures of Central Tendencies

Financial Literacy

Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
I have knowledge on how to invest my money	150	4.37	.536	.022	.198	-.946	.394
I have a very clear idea of my financial needs during retirement.	150	4.37	.586	-.306	.198	-.694	.394
I am able to maintain financial records for my income and expenditure.	150	4.39	.588	-.351	.198	-.693	.394
I'm not facing any difficulty in managing my money.	150	4.28	.625	-.451	.198	.224	.394
I have knowledge of financial instruments (e.g. bonds, stock, T-bill, future contract, option and etc).	150	4.31	.569	-.110	.198	-.607	.394
I can prepare my own weekly (monthly) budget.	150	4.25	.604	-.178	.198	-.528	.394
Valid N (listwise)	150						

Table 4.

Retirement Planning Behavior

Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
I need to get information on retirement	150	3.87	.559	-.038	.198	.081	.394
I've been saving money to prepare for retirement	150	3.59	.657	.249	.198	-.334	.394
I have a clear vision of the activities after retirement	150	3.77	.636	.231	.198	-.631	.394
I always discuss retirement plans with family and friends	150	3.65	.592	.295	.198	-.662	.394
I need more ample of time for my retirement savings	150	3.73	.587	.132	.198	-.500	.394
I have planned my retirement saving to avoid financial difficulties.	150	3.85	.763	-.204	.198	.130	.394
Valid N (listwise)	150						

Table 4.5

Debt Management

Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Before making a loan, I will make sure the interest rate is low.	150	4.45	.538	-.179	.198	-1.158	.394
I think about the payback capability before making a loan.	150	4.10	.784	-.178	.198	-1.347	.394
I make a comparison of the financial institutions before applying for housing loans.	150	4.22	.684	-.311	.198	-.852	.394
I'll save only when I am running out of money.	150	2.69	1.081	.104	.198	-.603	.394
I will not change my expenditure trend even if I have to resort to loans.	150	2.62	.857	-.023	.198	-.338	.394
I need to borrow money to pay the costs associated with home ownership, such as land tax, repairs, maintenance, etc.	150	2.79	.950	.046	.198	-.056	.394
In the past 12 months, I do have had problems in repaying back my loan / debt.	150	2.59	.891	.320	.198	-.088	.394
Valid N (listwise)	150						

Table 4.6

Saving Behavior

Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
I put money aside on a regular basis for my future savings.	150	3.73	.774	-.201	.198	.176	.394
In order to save, I often compare prices before I make a purchase.	150	3.97	.704	-.196	.198	-.317	.394
In order to save, I often consider whether the real necessity exists before I make a purchase.	150	3.77	.743	.095	.198	-.647	.394
In order to save, I always follow a careful monthly budget.	150	3.53	.841	-.106	.198	-.546	.394
I always have money available in the event of emergency.	150	3.43	.838	.096	.198	-.536	.394
In order to save, I plan to reduce my expenditure.	150	3.76	.800	-.176	.198	-.438	.394
I save to achieve certain goals.	150	3.73	.739	.066	.198	-.512	.394
Valid N (listwise)	150						

Table 4.7

4.4 Hypotheses Testing: Pearson Correlation Coefficient

Correlations

		FL	FR	DM	FW	SB
FINANCIAL_LITERACY	Pearson Correlation	1	.284**	.047	.510**	.239**
	Sig. (2-tailed)		.000	.566	.000	.003
	Sum of Squares and Cross-products	49.099	11.557	2.551	29.593	9.374
	Covariance	.330	.078	.017	.199	.063
	N	150	150	150	150	150
FUTURE_RETIREMENT	Pearson Correlation	.284**	1	.012	.227**	.194*
	Sig. (2-tailed)	.000		.880	.005	.017
	Sum of Squares and Cross-products	11.557	33.764	.556	10.947	6.328
	Covariance	.078	.227	.004	.073	.042
	N	150	150	150	150	150
DEBT_MANAGEMENT	Pearson Correlation	.047	.012	1	.033	-.153
	Sig. (2-tailed)	.566	.880		.693	.062
	Sum of Squares and Cross-products	2.551	.556	59.498	2.077	-6.604
	Covariance	.017	.004	.399	.014	-.044
	N	150	150	150	150	150
SAVING_BEHAVIOR	Pearson Correlation	.239**	.194*	-.153	.193*	1
	Sig. (2-tailed)	.003	.017	.062	.018	
	Sum of Squares and Cross-products	9.374	6.328	-6.604	8.966	31.412
	Covariance	.063	.042	-.044	.060	.211
	N	150	150	150	150	150

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Table 4.8

4.7 Regression Analysis

The results of the regression analyses between the dependent variable, (SB) and all the 3 independent variables (FL, RPB and DM) are presented.

Model Summary

Model	R	R Square	Adjusted R Square	Std Error of the Estimate
1	.813a	.661	.658	.4476

Table 4.9

Based on Table 4.9 above, it is shown that the R² of the regression is 0.661. This implies that the average variation of all the 3 independent variables are able to explain , on average, 66.10% of the variation in the dependent variable, the saving behavior score.

4.6 Chapter Summary

SPSS version 17 is being used to analyze this data. Based on this data, analysis of reliability, validity, descriptive statistic and correlation coefficient test have been used.

CHAPTER 5

CONCLUSION AND RECOMMENDATION

5.0 Introduction

In this chapter, all the data that have been analyse and process in chapter 4 are being interpreted in this chapter. The finding in chapter 4 will be discussed and elaborate further based on the outcome or result which has been analyse using the SPSS version 17.

5.1 Finding

5.1.1 Finding on Demographic Profiles

Based on the result obtained in Chapter 4, it shows that most of the respondents are female (55%), and only 45% of the respondent are male. As of age group, majority of the respondents' age range between 21 -30 years old has the highest percentage (66%). Meanwhile, if based on Education level, it is denominated by Degree holder at 59% followed by STPM / Diploma. SPM level is at 11% while Master holder only 10%. Noted on 60% of the correspondent are Malay followed by 33% Chinese and 7% Indian. Besides that, if we were look on Marital Status result, only 51% respondents are married while 49% are still single.

The majority of the respondents earning average income ranging of RM3001 and above (91%) while income ranging from RM2001 to RM3000 at 7% . Other than that, 49% of respondent have the length of service between 3 – 5 years, 34% of the

respondent is more than 6 year and 17% less than 2 years. 42% of the respondent is from COS team followed by CCS team at 39%. Rest of the team were around 5% only.

5.1.2 Finding on Measure of Central Tendencies

Based on the results it appears that all the variables involved, such as saving behavior as the dependent variable while financial literacy, retirement planning behavior and debt management as independent variables seem to be deemed and normally distributed. According to Hashim, H. (2014) which described that peakedness or flatness of the distribution compared with the normal distribution (also known as the height of the distribution) also known as kurtosis, while to describe the balance of the distribution, skewness is used.

5.1.3 Finding on Reliability Test

Based on the testing done, the result shown all constructs are exceeding the minimum alpha value of 0.6 while tested for Cronbach's Alpha, and this has meant the scale given is reliable. In this study, based on 150 respondents, Debt Management reliability test was the highest (0.732), and the lowest in reliability test is Retirement Planning Behavior (0.632). This means all items in this study (after we excluded item no 6 under Retirement Planning Behavior) are positively correlated to one another.

5.1.4 Finding on Validity Test

Through Validity test, it is indicated that based on the ability of a scale to measure the intended concept which were performed 150 respondents, the result showed that the KMO of sampling adequacy is 0.627. It means this test is valid which is greater than 0.60. The Bartlett's Test of Sphericity is significant as it is at 0.000. According to Hashim, H. (2014) if the KMO is greater than 0.60 the items constructed is valid.

5.1.5 Finding on Inferential Pearson Correlation Coefficients

Pearson Correlation Coefficient analysis has been used to see the positive correlation between and the dependent variable Saving Behavior ("SB") and the independent variables Financial Literacy ("FL"), Retirement Planning Behavior ("RPB") and Debt Management ("DM")

Based on the finding, it revealed Retirement Planning Behavior ("RPB") has the strongest relationship with Saving Behavior ("SB"), followed by Financial Literacy ("FL") and Debt Management ("DM") has the weakest relationship as the p values are less than 0.05.

5.2 Discussions of Major Findings

H1: There is a significant relationship between saving behavior and financial literacy among Gen Y in Banking Sector in Malaysia.

Based on chapter 4, researcher can conclude that the saving behavior have a significant relationship with financial literacy of Gen Y Maybank Corporate Banking

as ($p < 0.05$). Lusardi, A., & Mitchell, O. (2014) indicate that financial literacy is an individual ability to process economic information and decision making on their wealth accumulation, debt and financial planning. Hence people with financial knowledge will likely have better financial planning especially for retirement saving. Delafrooz, N., & Paim, L. (2011) stated that financial literacy will helps individuals to handle daily financial matters and decision making.

H2: There is a significant relationship between Saving Behavior and Retirement Planning Behavior among Gen Y in Banking Sector in Malaysia.

A significant relationship between Retirement Planning Behavior and saving behavior among Gen Y Maybank Corporate Banking can be concluded as there is an evidence as ($p < 0.05$). According to Lusardi, A. (2003) planning in retirement could help an individual to face unpleasant events such as financial difficulties at the end of life and it also plays an important role in explaining the saving behavior of many households.

H3: There is a significant relationship between Saving Behavior and Debt Management among Gen Y in Banking Sector in Malaysia.

A significant relationship between Debt Management and saving behavior among Gen Y Maybank Corporate Banking can be concluded as there is an evidence as ($p < 0.05$). Besides that, student loans are the major source of debt for college- educated Millennials where they are deeply indebted and struggle to meet payments on both short- and long-term obligations. Even though Millennials make many decisions

related to investments and debt, most of them lack financial literacy and are not aware of their lack of financial knowledge (Scheresberg, C. D., & Lusardi, A. -2012.)

5.3 Recommendation for Future Study

The researcher has a recommendation for some future researcher where, future researcher might have some study on Gen Y investment behavior where to know, aside saving, is there any other way that they been doing to expend their saving. For future research, it is also suggested also to have more variables should be tested on such as self-esteem, financial management practices, financial skills, financial stress and others that could led in influencing saving behavior.

5.4 Conclusion

As stated in this chapter, three research objectives have been achieved. In summary, this study found that there is a significant relationship between Retirement Planning Behavior and saving behaviour among generation y in banking sector in Malaysia.

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LIST OF APPENDIXES

A Questionnaire

B Reliability Analysis (Pilot Test)

C Validity Analysis (Pilot test)

D Reliability Test

E Validity Test

F Descriptive Analysis: Demographic Profile

G Descriptive Analysis: Central Tendencies Measurement

H Pearson Correlation Coefficient Analysis



Appendix A

A STUDY ON FACTOR SAVING BEHAVIOUR AMONG GENERATION Y IN BANKING SECTOR IN MALAYSIA

Dear respondents,

I am a student of Msc. Finance, UUMKL currently conducting a research on factors influencing the saving behavior among Generation Y in Banking Sector in Malaysia. Appreciate your kind cooperation to answer the attached questionnaires. All the information given will be strictly private and confidential.

Thank you very much for your cooperation.



Researcher:

Lina Adilah

810932

SECTION A: DEMOGRAPHIC PROFILE

1. Gender
☐ Male
☐ Female
2. Age
☐ 19 - 25
☐ 26 - 30
☐ 31 - 35
3. Education level
☐ SPM
☐ STPM / Diploma
☐ Degree
☐ Master
☐ Others
4. Race
☐ Malay
☐ Chinese
☐ Indian
☐ Others
5. Marital status
☐ Single
☐ Married
☐ Others
6. Income level
☐ Below RM 1000
☐ RM 1001 – RM 2000
☐ RM 2001 – RM 3000
☐ RM 3001 and above
7. Length of service
☐ Less than 2 years
☐ 3 to 5 years
☐ More than 6 years
8. Division
☐ Managing Director's Office
☐ Specialized Landing
☐ Credit Origination & Structuring
☐ Corporate Credit Surveillance
☐ Region
☐ Special Enterprise Relationship
☐ Emplacement Unit

INSTRUCTION: please indicate how strongly you agree or disagree with the following statement concerning the saving behaviour.

Direction: Please circle the most appropriate number using the scale given.

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
1	2	3	4	5

SECTION B: FINANCIAL LITERACY

No		Strongly disagree	Strongly agree
1	I have knowledge on how to invest my money. Saya mempunyai pengetahuan tentang cara untuk melabur wang saya	1	2 3 4 5
2	I have a very clear idea of my financial needs during retirement. Saya mempunyai idea yang jelas tentang keperluan kewangan saya semasa persaraan.	1	2 3 4 5
3	I am able to maintain financial records for my income and expenditure. Saya mampu menyimpan rekod kewangan bagi pendapatan dan perbelanjaan saya.	1	2 3 4 5
4	I'm not facing any difficulty in managing my money. Saya tidak mempunyai sebarang masalah dalam menguruskan wang saya.	1	2 3 4 5
5	I have knowledge of financial instruments (e.g. bonds, stock, T-bill, future contract, option and etc). Saya mempunyai pengetahuan mengenai instrumen kewangan (contohnya bon, stok, kotrak masa depan, opsyen dan lain-lain).	1	2 3 4 5
6	I can prepare my own weekly (monthly) budget. Saya berkebolehan menyediakan perancangan mingguan (bulanan).	1	2 3 4 5

SECTION C: RETIREMENT PLANNING BEHAVIOUR

No		Strongly disagree	Strongly agree
1	I need to get information on retirement Saya memerlukan maklumat tentang persaraan	1	2 3 4 5
2	I've been saving money to prepare for retirement Saya sentiasa menyimpan untuk masa persaraan	1	2 3 4 5
3	I have a clear vision of the activities after retirement Saya mempunyai visi yang terang tentang aktiviti yang akan lakukan selepas bersara	1	2 3 4 5
4	I always discuss retirement plans with family and friends Saya selalu membincangkan skim persaraan bersama keluarga dan rakan-rakan.	1	2 3 4 5
5	I need more ample of time for my retirement savings Saya memerlukan banyak masa untuk simpanan persaraan saya	1	2 3 4 5

SECTION D: DEBT MANAGEMENT

No		Strongly disagree	Strongly agree
1	<p>Before making a loan, I will make sure the interest rate is low.</p> <p>Sebelum membuat pinjaman, saya akan pastikan kadar faedah pinjaman tersebut adalah rendah</p>	1	2 3 4 5
2	<p>I think about the payback capability before making a loan.</p> <p>Saya berfikir tentang kemampuan pembayaran balik sebelum melakukan pinjaman</p>	1	2 3 4 5
3	<p>I make a comparison among financial institutions before applying for housing loans.</p> <p>Saya membuat perbandingan institusi-institusi kewangan sebelum memohon pinjaman perumahan</p>	1	2 3 4 5
4	<p>I'll save only when I am running out of money.</p> <p>Saya hanya akan berjimat apabila kehabisan wang</p>	1	2 3 4 5
6	<p>I will not change my expenditure trend even if I have to resort to loans.</p> <p>Saya tidak akan mengubah corak perbelanjaan walaupun terpaksa berhutang</p>	1	2 3 4 5
7	<p>I need to borrow money to pay the costs associated with home ownership, such as land tax, repairs, maintenance, etc.</p> <p>Saya perlu berhutang untuk membayar kos-kos yang berkaitan dengan pemilikan perumahan seperti cukai tanah, kos pembaikan, penyelenggaraan dan sebagainya.</p>	1	2 3 4 5

8	<p>In the past 12 months, I do have had problems in repaying back my loan / debt.</p> <p>Saya mempunyai masalah pembayaran balik pinjaman/hutang dalam 12 bulan kebelakangan ini</p>	<p>1 2 3 4 5</p>
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SECTION E: SAVING BEHAVIOR

No		Strongly disagree	Strongly agree
1	<p>I put money aside on a regular basis for my future saving.</p> <p>Saya menyimpan secara tetap untuk masa hadapan</p>	1 2 3 4 5	
2	<p>In order to save, I often compare prices before I make a purchase.</p> <p>Dalam usaha untuk menyimpan, saya sering membandingkan harga sebelum saya membuat sebarang pembelian.</p>	1 2 3 4 5	
3	<p>In order to save, I often consider whether the real necessity exists before I make a purchase.</p> <p>Dalam usaha untuk menyimpan, saya sering mengambil kira sama ada terdapat keperluan sebenar sebelum saya membuat pembelian</p>	1 2 3 4 5	
4	<p>In order to save, I always follow a careful monthly budget.</p> <p>Dalam usaha untuk menyimpan, saya sentiasa mengikuti bajet bulanan yang dibuat dengan cermat.</p>	1 2 3 4 5	

5	<p>I always have money available in the event of emergency.</p> <p>Saya sentiasa mempunyai wang sekiranya berlaku kecemasan.</p>	1 2 3 4 5
6	<p>In order to save, I plan to reduce my expenditure.</p> <p>Dalam usaha untuk menyimpan, saya bercadang untuk mengurangkan perbelanjaan saya.</p>	1 2 3 4 5
7	<p>I save to achieve certain goals.</p> <p>Saya menyimpan untuk mencapai matlamat-matlamat tertentu.</p>	1 2 3 4 5



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Appendix B

1) Scale: Reliability (Financial Literacy)

Case Processing Summary

	N	%
Cases Valid	30	100.0
Excluded ^a	0	.0
Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.836	.838	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I have knowledge on how to invest my money	17.00	13.724	.671	.591	.802
I have a very clear idea of my financial needs during retirement.	17.20	13.614	.565	.586	.818
I am able to maintain financial records for my income and expenditure.	17.20	14.303	.554	.624	.821
I'm not facing any difficulty in managing my money.	17.43	11.082	.771	.724	.773

I have knowledge of financial instruments (e.g. bonds, stock, T-bill, future contract, option and etc).	17.97	11.964	.642	.681	.806
I can prepare my own weekly (monthly) budget.	17.20	14.372	.504	.613	.829

2) Scale: Reliability (Retirement Planning Behavior)

Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.735	.718	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I need to get information on retirement	17.17	13.799	.233	.522	.752
I've been saving money to prepare for retirement	17.70	9.734	.610	.559	.651
I have a clear vision of the activities after retirement	17.77	9.082	.728	.719	.607
I always discuss retirement plans with family and friends	18.20	10.993	.520	.606	.683
I need more ample of time for my retirement savings	17.30	13.803	.158	.623	.774
I have planned my retirement saving to avoid financial difficulties.	17.53	11.499	.599	.745	.668

3) Scale: Reliability (Debt Management)

Before deleted

Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.449	.283	7

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Before making a loan, I will make sure the interest rate is low.	18.83	12.902	-.279	.653	.536
I think about the payback capability before making a loan.	18.83	12.006	-.057	.566	.487
I make a comparison of the financial institutions before applying for housing loans.	18.83	12.764	-.238	.631	.536
I'll save only when I am running out of money.	20.60	7.007	.557	.571	.180

I will not change my expenditure trend even if I have to resort to loans.	21.03	8.102	.370	.612	.313
I need to borrow money to pay the costs associated with home ownership, such as land tax, repairs, maintenance, etc.	20.37	7.826	.314	.383	.345
In the past 12 months, I do have had problems repaying my loan / debt.	20.70	7.321	.453	.666	.248

After Deleted

Case Processing Summary

		N	%
Cases	Valid	30	100.0
	Excluded ^a	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.746	.749	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I will not change my expenditure trend even if I have to resort to loans.	7.93	8.754	.622	.409	.644
I need to borrow money to pay the costs associated with home ownership, such as land tax, repairs, maintenance, etc.	7.27	8.961	.466	.358	.733
In the past 12 months, I do have had problems repaying my loan / debt.	7.60	8.386	.623	.417	.639
I'll save only when I am running out of money.	7.50	9.638	.464	.366	.728

4) Scale: Reliability (Saving Behavior)

Case Processing Summary

	N	%
Cases Valid	30	100.0
Excluded ^a	0	.0
Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.837	.835	7

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I put money aside on a regular basis for the future.	22.53	13.085	.754	.690	.786
In order to save, I often compare prices before I make a purchase.	22.17	17.109	.364	.457	.844
In order to save, I often consider whether the real necessity exists before I make a purchase.	22.40	15.145	.580	.472	.817
In order to save, I always follow a careful monthly budget.	22.60	14.248	.595	.438	.815
I always have money available in the event of emergency.	22.77	13.151	.714	.665	.794
In order to save, I plan to reduce my expenditure.	22.23	15.771	.429	.399	.839

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I put money aside on a regular basis for the future.	22.53	13.085	.754	.690	.786
In order to save, I often compare prices before I make a purchase.	22.17	17.109	.364	.457	.844
In order to save, I often consider whether the real necessity exists before I make a purchase.	22.40	15.145	.580	.472	.817
In order to save, I always follow a careful monthly budget.	22.60	14.248	.595	.438	.815
I always have money available in the event of emergency.	22.77	13.151	.714	.665	.794
In order to save, I plan to reduce my expenditure.	22.23	15.771	.429	.399	.839
I save to achieve certain goals.	22.10	14.852	.701	.605	.801

Appendix C

Factor Analysis

Descriptive Statistics

	Mean	Std. Deviation	Analysis N
FL	3.4667	.71438	30
FR	3.5222	.66051	30
DM	2.5250	.95671	30
SB	3.7333	.63194	30

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.702
Bartlett's Test of Sphericity	Approx. Chi-Square
	df
	Sig.
	47.815
	10
	.000

Anti-image Matrices

		FL	FR	DM	SB
Anti-image Covariance	FL	.394	-.225	.160	.038
	FR	-.225	.446	-.136	-.156
	DM	.160	-.136	.869	.169
	SB	.038	-.156	.169	.607
Anti-image Correlation	FL	.675 ^a	-.537	.274	.078
	FR	-.537	.708 ^a	-.218	-.300
	DM	.274	-.218	.397 ^a	.233
	SB	.078	-.300	.233	.745 ^a

a. Measures of Sampling Adequacy(MSA)

Component Matrix^a

	Component	
	1	2
FL	.858	.027
FR	.825	.262
DM	-.288	.944
SB	.752	-.107

Extraction Method:
Principal Component
Analysis.
a. 2 components extracted.

Communalities

	Extraction
FL	.736
FR	.750
DM	.975
SB	.576

Extraction Method:
principal
Component
Analysis.

Total Variance Explained

Component	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.751	55.014	55.014	2.672	53.435	53.435
2	.991	19.822	74.836	1.070	21.401	74.836

Extraction Method: Principal Component Analysis.

Rotated Component Matrix^a

	Component	
	1	2
FL	.844	-.155
FR	.862	.082
DM	-.081	.984
SB	.712	-.264

Extraction Method:
Principal Component
Analysis.

Rotation Method:
Varimax with Kaiser
Normalization.

a. Rotation converged in 3
iterations.

Component Transformation Matrix

Component	1	2
1	.977	-.212
2	.212	.977

Extraction Method: Principal
Component Analysis.
Rotation Method: Varimax with
Kaiser Normalization.

Appendix D

1) Scale: Reliability (Financial Literacy)

Case Processing Summary

	N	%
Cases Valid	150	98.0
Excluded ^a	3	2.0
Total	153	100.0

a. Listwise deletion based on all
variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.695	.693	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I have knowledge on how to invest my money	21.61	4.039	.259	.084	.703
I have a very clear idea of my financial needs during retirement.	21.60	3.409	.524	.853	.622
I am able to maintain financial records for my income and expenditure.	21.59	3.331	.562	.855	.608
I'm not facing any difficulty in managing my money.	21.69	3.623	.366	.163	.675
I have knowledge of financial instruments (e.g. bonds, stock, T-bill, future contract, option and etc).	21.66	3.649	.420	.329	.657
I can prepare my own weekly (monthly) budget.	21.72	3.545	.429	.368	.654

2) Scale: Reliability (Retirement Planning Behavior)

Before Deleted

Case Processing Summary

		N	%
Cases	Valid	150	98.0
	Excluded ^a	3	2.0
	Total	153	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.598	.610	6

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I need to get information on retirement	18.59	3.760	.355	.169	.547
I've been saving money to prepare for retirement	18.88	3.435	.400	.262	.524
I have a clear vision of the activities after retirement	18.69	3.422	.431	.304	.511
I always discuss retirement plans with family and friends	18.82	3.800	.299	.189	.567
I need more ample of time for my retirement savings	18.73	3.700	.353	.222	.546
I have planned my retirement saving to avoid financial difficulties.	18.61	3.675	.200	.063	.623

After deleted

Case Processing Summary

		N	%
Cases	Valid	150	98.0
	Excluded ^a	3	2.0
	Total	153	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.623	.621	5

Item-Total Statistics

	Scale Mean if Deleted	Scale Variance if Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Deleted
I need to get information on retirement	14.74	2.757	.326	.147	.593
I've been saving money to prepare for retirement	15.03	2.456	.382	.246	.566
I have a clear vision of the activities after retirement	14.84	2.377	.455	.304	.526
I always discuss retirement plans with family and friends	14.97	2.690	.326	.189	.593

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I need to get information on retirement	14.74	2.757	.326	.147	.593
I've been saving money to prepare for retirement	15.03	2.456	.382	.246	.566
I have a clear vision of the activities after retirement	14.84	2.377	.455	.304	.526
I always discuss retirement plans with family and friends	14.97	2.690	.326	.189	.593
I need more ample of time for my retirement savings	14.88	2.590	.392	.222	.561

3) Scale: Reliability (Debt Management)

Case Processing Summary

	N	%
Cases Valid	150	98.0
Excluded ^a	3	2.0
Total	153	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.723	.732	4

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I'll save only when I am running out of money.	8.01	4.638	.442	.209	.714
I will not change my expenditure trend even if I have to resort to loans.	8.07	4.887	.592	.381	.620
I need to borrow money to pay the costs associated with home ownership, such as land tax, repairs, maintenance, etc.	7.90	4.950	.476	.264	.683
In the past 12 months, I do have had problems repaying my loan / debt.	8.10	4.856	.565	.339	.633

4) Scale: Reliability (Saving Behaviour)**Case Processing Summary**

		N	%
Cases	Valid	150	98.0
	Excluded ^a	3	2.0
	Total	153	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
------------------	--	------------

Case Processing Summary

		N	%
Cases	Valid	150	98.0
	Excluded ^a	3	2.0
	Total	153	100.0
		.706	.707
			7

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
I put money aside on a regular basis for the future.	22.20	8.134	.456	.256	.662
In order to save, I often compare prices before I make a purchase.	21.96	8.616	.396	.172	.678
In order to save, I often consider whether the real necessity exists before I make a purchase.	22.16	8.444	.405	.206	.675
In order to save, I always follow a careful monthly budget.	22.40	8.403	.336	.145	.695
I always have money available in the event of emergency.	22.51	7.822	.474	.247	.657
In order to save, I plan to reduce my expenditure.	22.17	8.104	.440	.207	.666
I save to achieve certain goals.	22.20	8.456	.406	.216	.675

Appendix E

Factor Analysis

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.627
Bartlett's Test of Sphericity	Approx. Chi-Square	74.747
	df	10
	Sig.	.000

Rotated Component Matrix^a

	Component		
	1	2	3
FINANCIAL_LITERACY	.831	-.018	.200
FUTURE_RETIREMENT	.130	.021	.934
DEBT_MANAGEMENT	.098	.888	.128
SAVING_BEHAVIOR	.257	-.578	.411

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 4 iterations.

Component Transformation Matrix

Component	1	2	3
1	.833	-.182	.522
2	.236	.971	-.038
3	-.500	.155	.852

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Appendix F

Frequencies

Statistics

		Gender	Age	Education Level	Race	Marital Status	Income Level	Length of Service	Division
N	Valid	150	150	150	150	150	150	150	150
	Missing	0	0	0	0	0	0	0	0

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	68	45.3	45.3	45.3
Female	82	54.7	54.7	100.0
Total	150	100.0	100.0	

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 21 - 30	99	66.0	66.0	66.0
31-40	51	34.0	34.0	100.0
Total	150	100.0	100.0	

Education Level

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid SPM	17	11.3	11.3	11.3
STPM / DIPLOMA	30	20.0	20.0	31.3
DEGREE	88	58.7	58.7	90.0
MASTER	15	10.0	10.0	100.0
Total	150	100.0	100.0	

Race

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALAY	90	60.0	60.0	60.0
	CHINES E	49	32.7	32.7	92.7
	INDIAN	11	7.3	7.3	100.0
	Total	150	100.0	100.0	

Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SINGLE	74	49.3	49.3	49.3
	MARRIE D	76	50.7	50.7	100.0
	Total	150	100.0	100.0	

Income Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	RM1001 - RM2000	2	1.3	1.3	1.3
	RM2001 - RM3000	11	7.3	7.3	8.7
	RM3001 and above	137	91.3	91.3	100.0
	Total	150	100.0	100.0	

Length of Service

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 2 years	26	17.3	17.3	17.3
3 - 5 years	73	48.7	48.7	66.0
More tahn 6 years	51	34.0	34.0	100.0
Total	150	100.0	100.0	

Division

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Managing Directors Office	6	4.0	4.0	4.0
Specialized Landing	4	2.7	2.7	6.7
Credit Origination and Structure	63	42.0	42.0	48.7
Corporate Credit Surveillance	58	38.7	38.7	87.3
Region	7	4.7	4.7	92.0
Special Enterprise Relationship	8	5.3	5.3	97.3
Emplacement Unit	4	2.7	2.7	100.0
Total	150	100.0	100.0	

Appendix G

Financial Literacy

Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
I have knowledge on how to invest my money	150	4.37	.536	.022	.198	-.946	.394
I have a very clear idea of my financial needs during retirement.	150	4.37	.586	-.306	.198	-.694	.394
I am able to maintain financial records for my income and expenditure.	150	4.39	.588	-.351	.198	-.693	.394
I'm not facing any difficulty in managing my money.	150	4.28	.625	-.451	.198	.224	.394
I have knowledge of financial instruments (e.g. bonds, stock, T-bill, future contract, option and etc).	150	4.31	.569	-.110	.198	-.607	.394

I can prepare my own weekly (monthly) budget.	150	4.25	.604	-.178	.198	-.528	.394
Valid N (listwise)	150						

Retirement Planning Behavior

Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
I need to get information on retirement	150	3.87	.559	-.038	.198	.081	.394
I've been saving money to prepare for retirement	150	3.59	.657	.249	.198	-.334	.394
I have a clear vision of the activities after retirement	150	3.77	.636	.231	.198	-.631	.394
I always discuss retirement plans with family and friends	150	3.65	.592	.295	.198	-.662	.394
I need more ample of time for my retirement savings	150	3.73	.587	.132	.198	-.500	.394

I have planned my retirement saving to avoid financial difficulties.	150	3.85	.763	-.204	.198	.130	.394
Valid N (listwise)	150						

Debt Management

Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Before making a loan, I will make sure the interest rate is low.	150	4.45	.538	-.179	.198	-1.158	.394
I think about the payback capability before making a loan.	150	4.10	.784	-.178	.198	-1.347	.394
I make a comparison of the financial institutions before applying for housing loans.	150	4.22	.684	-.311	.198	-.852	.394

I'll save only when I am running out of money.	150	2.69	1.081	.104	.198	-.603	.394
I will not change my expenditure trend even if I have to resort to loans.	150	2.62	.857	-.023	.198	-.338	.394
I need to borrow money to pay the costs associated with home ownership, such as land tax, repairs, maintenance, etc.	150	2.79	.950	.046	.198	-.056	.394
In the past 12 months, I do have had problems repaying my loan / debt.	150	2.59	.891	.320	.198	-.088	.394
Valid N (listwise)	150						

Saving Behavior

Descriptive Statistics

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
I put money aside on a regular basis for the future.	150	3.73	.774	-.201	.198	.176	.394
In order to save, I often compare prices before I make a purchase.	150	3.97	.704	-.196	.198	-.317	.394
In order to save, I often consider whether the real necessity exists before I make a purchase.	150	3.77	.743	.095	.198	-.647	.394
In order to save, I always follow a careful monthly budget.	150	3.53	.841	-.106	.198	-.546	.394
I always have money available in the event of emergency.	150	3.43	.838	.096	.198	-.536	.394
In order to save, I plan to reduce my expenditure.	150	3.76	.800	-.176	.198	-.438	.394

I save to achieve certain goals.	150	3.73	.739	.066	.198	-.512	.394
Valid N (listwise)	150						

Appendix H

Descriptive Statistics

	Mean	Std. Deviation	N
FINANCIAL_LITERACY	2.8244	.57404	150
FUTURE_RETIREMENT	3.4178	.47603	150
DEBT_MANAGEMENT	2.4133	.63192	150
SAVING_BEHAVIOR	3.6019	.45915	150

Correlations

		FL	FR	DM	FW	SB
FINANCIAL_LITERACY	Pearson Correlation	1	.284**	.047	.510**	.239**
	Sig. (2-tailed)		.000	.566	.000	.003
	Sum of Squares and Cross-products	49.099	11.557	2.551	29.593	9.374
	Covariance	.330	.078	.017	.199	.063
	N	150	150	150	150	150
FUTURE_RETIREMENT	Pearson Correlation	.284**	1	.012	.227**	.194*
	Sig. (2-tailed)	.000		.880	.005	.017
	Sum of Squares and Cross-products	11.557	33.764	.556	10.947	6.328
	Covariance	.078	.227	.004	.073	.042
	N	150	150	150	150	150

DEBT_MANAGEMENT	Pearson Correlation	.047	.012	1	.033	-.153
	Sig. (2-tailed)	.566	.880		.693	.062
	Sum of Squares and Cross-products	2.551	.556	59.498	2.077	-6.604
	Covariance	.017	.004	.399	.014	-.044
	N	150	150	150	150	150
SAVING_BEHAVIOR	Pearson Correlation	.239**	.194*	-.153	.193*	1
	Sig. (2-tailed)	.003	.017	.062	.018	
	Sum of Squares and Cross-products	9.374	6.328	-6.604	8.966	31.412
	Covariance	.063	.042	-.044	.060	.211
	N	150	150	150	150	150

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

